

COUNTY OF LOS ANGELES

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DEPARTMENT OF MENTAL HEALTH

<http://dmh.lacounty.gov>

550 SOUTH VERMONT AVENUE, LOS ANGELES, CALIFORNIA 90020

March 25, 2011

TO: Each Supervisor

FROM: Marvin J. Southard, D.S.W.
Director of Mental Health

SUBJECT: **ADVANCE NOTIFICATION OF INTENT TO ENTER INTO SOLE
SOURCE CONTRACT AMENDMENT WITH AN EXISTING MENTAL
HEALTH LEGAL ENTITY**

This memo is to comply with the Board of Supervisors' Policy Manual, Section 5.100, Sole Source Contract, by notifying the Board of our need to initiate a Sole Source Contract. It is the Department of Mental Health's (DMH) intent to enter into a Sole Source amendment with an existing Legal Entity Agreement to deliver mental health treatment services in the Glendale area.

This action is a result of the bankruptcy filing by Verdugo Mental Health (VMH) under Chapter 11. Under the bankruptcy, VMH plans to discontinue their mental health Legal Entity Agreement and leave their newly built site vacant. As a result, mental health care will be seriously impacted for consumers that rely on VMH for their mental health treatment. To avoid displacement of mental health consumers, disruption of treatment services, and to preserve a mental health presence in the Glendale area, mental health services should be maintained, if at all possible, at the VMH site.

In an effort to maintain service delivery at the current VMH site, the Didi Hirsch Community Mental Health Center (DHCMHC), an existing mental health Legal Entity, has been negotiating with CalMortgage to assume the VMH mortgage for the building located at 1540 East Colorado Street, Glendale, CA 91205. Should the agency successfully conclude these negotiations, DMH plans to enter into a Sole Source Contract Amendment. DMH staff will work closely with DHCMHC to evaluate the array of services to be delivered and to ensure the viability of the business model for the program to be offered at this site.

DHCMHC has had more than 35 years of experience in treating the same consumer population currently served at the VMH location. DHCMHC offers the same array of services, including substance abuse treatment services. They have expertise in delivering services to various ethnic and underserved populations, including those with special linguistic needs.

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Unless otherwise instructed by your Board within two weeks, should DHCMHC successfully conclude mortgage negotiations with CalMortgage, DMH will proceed under its delegated authority and execute a Sole Source Contract Amendment.

MJS:CCS:lw

c: Health Deputies
Chief Executive Officer
Executive Officer, Board of Supervisors
County Counsel
Robin Kay, Ph.D.
Carlotta Childs-Seagle, L.C.S.W.
Contracts Development and Administration